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ABSTRACT

Economic, social, and technological changes highlight the value of human resources and employee training. Acquiring the knowledge and skills demanded of today's workers represents a lifelong learning experience that must be nurtured through work-related learning activities and workplace training. For the employer, training supports organizational culture and goals while encouraging efficiency, innovation, and quality in worker performance and productivity. For employees, the benefits are economic and educational. Companies are recognizing that on-the-job training is a major factor in economic growth and productivity. However, a handful of employers make most business training expenditures, employers do not provide training equally across their organizations, and small companies offer less training. Many employers seek outside providers for training and have tried partnerships with vendors and consultants; colleges and universities; secondary and vocational-technical schools; proprietary schools; trade and professional associations; unions; community-based organizations; other businesses; and government agencies. To improve worksite training, (1) employers must identify new knowledge and skill requirements; (2) learning in the workplace should have a lifelong focus; (3) partnerships among all stakeholders in the training enterprise are critical; (4) training strategy should be integrated into corporate strategy; and (5) cost effectiveness should be judged by how well trainees learn what they were supposed to learn. (8 references) (YLB)

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ERIC Clearinghouse on Adult, Career, and Vocational Education

DIGEST NO. 109

Worksite Training

by Bettina A. Lankard

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Worksite training provided by employers represents a major expenditure in the nation's economy. In 1987, employers' expenditures for training reached $30 billion. In 1988, the expenditures for employer-sponsored training were estimated at $39.6 billion (Stanton 1989-90). This increase can be traced to the dramatic changes occurring today and to those expected in the workplace of the future. This *ERIC Digest* reviews recent literature on training conducted by employers and notes trends, methods, and future directions for the training enterprise.

The Need for Worksite Training

Economic, social, and technological changes highlight the value of human resources and employee training. The change from the industrial age to the information age, from domestic to global competition, from a white, male-dominated work force to one that is multicultural and heterogenous, from an abundant pool of entry-level workers to a shrinking pool of job candidates, and from an initially simple technology base to the highly sophisticated technology of today all require upgrading of employee skills (Gordon 1989).

Movement toward a service-based economy demands increased communication and interpersonal skills. Management restructuring from a "top-down" to a "participatory" style requires teamwork with emphasis on employee cooperation, flexibility, and shared responsibility. The changing composition of the work force requires skill in working with people for whom English is a second language, cultural awareness, and management and leadership abilities. The changing nature of the workplace--the technological advances--requires employees to have knowledge, skills, and competencies in the new technologies as well as higher capabilities in reading and math (Carnevale 1989; Stanton 1989-90).

Acquiring the knowledge and skills demanded of today's workers represents a lifelong learning experience--one that must be nurtured through work-related learning activities and workplace training. Besides basic skills and continual upgrading of technical expertise, workers need the flexibility to cope with unpredictable opportunities and changes (Brock 1991).

Benefits of Worksite Training

For the employer, training supports organizational culture and goals while encouraging efficiency, innovation, and quality in worker performance and productivity. For employees, the benefits are economic as well as educational. According to Carnevale (1989), about half of the differences in what people earn will be determined by learning in school and on the job. The skills learned will be complementary; in other words, the more school-based education people receive, the more likely they are to receive employer-based training. Studies of the economic rewards of employer-based training to the employee are summarized by Carnevale (1989). The findings show that people "who receive formal training on the job enjoy an earnings advantage of 25 percent or more over those who do not receive formal training in the workplace" (p. 28).

Training in the workplace also influences earnings in subsequent jobs. Individuals who have had formal training on a prior job earn 18 percent more in their current job than those who have received no training. Those who have received informal training in a prior job earn 20 percent more in their current job than those who have received no informal training in a prior job (Carnevale 1989).

Scope of the Training Enterprise

With over 80 percent of the nation's total output attributed to human resources, the trend toward employer-based training is expected to continue. Companies are recognizing that on-the-job training is a major factor in the economic growth and productivity of the organization and of the country as a whole. "Learning systems in the workplace are the first line of defense against economic and technical changes" for through them employers and employees alike are able to respond to such changes in an efficient and timely manner (Carnevale 1989, p. 26).

However, nearly 90 percent of business training expenditures are made by only one-half of 1 percent of all employers (Brock 1991). In addition, employers do not provide training equally across their organizations. Women receive a disproportionately large share of formal training relative to their share of employment, although less than men receive; whites receive a disproportionately large share compared to blacks and Hispanics; middle-aged workers receive more training than workers of other ages (Carnevale 1989). Additionally, formal training is concentrated in personnel who are most likely to benefit--managers, professionals, technicians, and sales personnel. Small companies offer less training to their employees than larger companies and the training they offer is likely to be informal. Occupations dictate the level or provision of training as well. Technical professionals receive the most training followed by nontechnical professionals, technicians, management support specialists, general managers, mechanics, and repairers, precision production workers, and craft workers (Carnevale 1989).

Partnerships as a Training Method

Clearly, training the work force is a large and complex enterprise and employers, particularly those with small businesses, cannot do it alone. The critical challenges facing the nation require coordinated efforts from business, labor, education, and the government. Although major corporations such as IBM and Motorola can support extensive training programs, as can the United Auto Workers, many of these organizations seek outside providers for some components of their programs (Brock 1991).

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A wide variety of partnerships are being tried, and successful models provide guidelines for increasing linkages. Carnevale, Gainer, and Villet (1990) give many examples of types of learning partnerships as well as advice on their formation. Among the providers with which businesses are linking are the following:

Vendors and consultants

Four-year colleges and universities

Community and junior colleges

Secondary and vocational-technical schools

Proprietary schools

Trade and professional associations

Unions

Community-based organizations (for example, the Opportunities Industrialization Center)

Businesses with extensive in-house training resources

Government agencies (for example, the Army Job Skills Education Program or state economic development structures such as the Massachusetts Bay State Skills Corporation)

Future Directions toward a Stronger Work Force

From the literature on improving worksite training, several themes are apparent (Carnevale, Gainer, and Villet 1990; Gordon 1989; Lombardo 1989; Rosow and Zager 1988):

1. Employers must identify and communicate new knowledge and skill requirements as they occur.
2. Learning in the workplace should have an ongoing, lifelong focus.
3. Partnerships among all stakeholders in the training enterprise are critical.
4. Training strategy should be integrated into corporate strategy.
5. The cost-effectiveness of training should be judged by how well trainees learn what they were supposed to learn.

The cost benefits of employer-sponsored training may be apparent but not quantifiable. Cost benefit analysis is discussed as one way to justify expenditures for training, but, as yet, there are many loopholes in such analysis. According to Lombardo (1989), the key is management's outlook: "When management believes that training is operationally critical to the organization, whether because of deregulation, rapidly changing technology, or high turnover, there is less demand for cost and benefit information" (p. 63). Another viewpoint is provided by Rosow and Zager (1988): "Since training (assuming that its objectives are strategically necessary) is an essential part of every job," perhaps it should not be considered an added cost (p. 147).

Employer-based training systems have been called "the missing link in the nation's human capital development system" (Carnevale and Johnston 1989, p. 3). The investment in human resources will not pay off if workplace learning is not linked to rewards systems, if the workplace is not reorganized to make employees participants in the production process, and if the quality of learning both inside and outside the workplace is not improved.

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